

[25 April, 2001]

RAJYA SABHA

(b) to (d) The Committee has been given time to submit its report by 30th April, 2001.

Valuation of Captive Power Plants of SAIL

4322. SHRI DIPANKAR MUKHERJEE: Will the Minister of POWER be pleased to state:

(a) whether NTPC had engaged MECON for asset valuation of Captive Power Plants of SAIL at Durgapur and Rourkela;

(b) if so, the exact term of reference of MECON;

(c) the time taken for valuation and transfer price fixed;

(d) whether asset valuation was found to be an appropriate method for a growing concern; and

(e) if not, the method of valuation adopted for the above?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir.

(b) The scope of work included evaluation of the two Captive Power Plants (CPP-II) at Durgapur Steel Plant (DSP) and Rourkela Steel Plant (RSP) of SAIL, each having a capacity of 2×60 MW, for the present value of all assets (plant & machinery, spares, buildings, land etc.) within the plant boundary to be indicated after joint demarcation by NTPC and SAIL and outside related to the station concerned like Ash Disposal System, Ash Pond etc., and valuation of inventory based on audited stock statement of the power station. The scope shall also include evaluation of all other assets including inventories pertaining to each of the captive power station. Further, it was also assigned to carry out the asset evaluation by replacement cost method and earning capacity method.

(c) MECON took about one and half month's time for the above work and the transfer price was fixed at Rs. 391.00 crores. NTPC paid Rs. 58.65 crores for 50% share in equity and management control in Joint Venture Company-(SAIL Power Company Ltd.) formed to takeover these two Captive Power Plants.

(d) Yes, Sir. From their experience, the NTPC found it to be satisfactory.

(e) Does not arise, in view of the above.

Priority to companies active in energy sector

†4323. SHRI P.K. MAHESHWARI: Will the Minister of POWER be pleased to state:

(a) whether Government have decided to give priority for the new hydro power projects to the companies active in Energy sector of the country;

(b) if so, whether Government have asked the Central Electricity Authority and Energy Policy Adviser to prepare a feasibility report for the new hydro power projects;

(c) if so, by when the said report is expected to be received by Government; and

(d) what concrete steps Government have decided to take to meet the total demand of power in the country by the year 2010?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (d) With a view to develop the untapped hydro-electric potential in the country, Government announced a Policy on Hydro Power Development in August, 1998. A massive thrust is proposed to be given for hydro development by starting work on preparing Detailed Project Reports in respect of hydro projects involving capacity of about 25,000 MW to 30,000 MW in the next 5 years. Central Electricity Authority has recently been asked to carry out the ranking study of all the undeveloped hydro sites in the country within a period of six months.

During the last three years, five new hydro-electric projects have been sanctioned under the Central Sector. These are Chamara-II (300 MW) in Himachal Pradesh; Loktak Downstream (90 MW) in Manipur; Teesta Stage-V (500 MW) in Sikkim; Koteshwar (400 MW) in Uttaranchal and Tuirial (60 MW) in Mizoram. The budgetary support has been significantly raised from Rs. 1125.53 crores in 1997-98 to Rs. 1982.15 crores in 2001-02 to promote large and medium size

†Original notice of the Question was received in Hindi.